FAIR HOUSING PLAN 2015

CITY OF MIDLAND | PLANNING & COMMUNITY DEVELOPMENT

EQUAL HOUSING
OPPORTUNITY

CITY OF
Midland

City of Midland Housing Analysis of Impediments

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I. Introduction and Executive Summary of the Analysis

Federal and state laws protect against discriminatory practices such as refusing to sell or rent to a member of a protected class, sexual harassment, quoting a difference in housing availability or terms, or refusing to rent or sell to a family or individual with children, or failing to provide or allow reasonable accommodations for a person with a disability.

As a Community Development Block Grant (CDBG) entitlement recipient of the US Department of Housing and Urban Development (HUD), the City of Midland considers and supports fair housing laws and obligations to halt discriminatory housing practices. In 2006, with assistance from the Legal Services of Eastern Michigan, a comprehensive Analysis of Impediments to Fair Housing study was completed for Midland County as a whole. This study is limited to the City of Midland, and as such, is a new Analysis of Impediments and Fair Housing Study for the City, as opposed to an update, and uses language from the 2006 study where relevant.

A. Summary of Federal, State and Local Fair Housing Laws

The first attempt to ensure equal rights in the purchase or rental of housing dates back to the Civil Rights Act of 1866. Nearly 80 years later, in 1948, the US Supreme Court declared that deed restrictions that prohibited the sale of property or a home to persons based on race were not constitutional. In 1968, the Civil Rights Act of 1964 was amended to include Title VIII, now known as the Fair Housing Act, which prohibits housing discrimination on the basis of race, color, religion or national origin. This act was later amended in 1974 to add sex (or gender), and again in 1988 to add familial status (the presence of a person under the age of 18 or a pregnant woman) and disability as protected classes. Perhaps most important, the 1968 Fair Housing Act provided methods of enforcement of the provisions of the Act. Specifically, Section 804 (U.S.C. 3604) of the Fair Housing Act prohibits specific actions based on race, color, religion, national origin, sex, familial status or disability. Those actions include, with limited exceptions:

1. Refusal to sell: To refuse to sell or rent after the making of a bona fide offer, or to refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny, a dwelling to any person because of race, color, religion, sex, familial status, or national origin.

2. Discrimination in terms, conditions or privileges: To discriminate against any person in the terms, conditions, or privileges of sale or rental of a dwelling, or in the provision of services or facilities in connection therewith, because of race, color, religion, sex, familial status, or national origin.

3. Advertising that indicates preferences, limitation or discrimination: To make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a dwelling that indicates any preference, limitation, or discrimination based on race, color, religion, sex, handicap, familial status, or national origin, or an intention to make any such preference, limitation, or discrimination.

4. Refusal to make a dwelling available for inspection: To represent to any person because of race, color, religion, sex, handicap, familial status, or national origin that

any dwelling is not available for inspection, sale, or rental when such dwelling is, in fact, available.

5. Blockbusting: For profit, to induce or attempt to induce any person to sell or rent any dwelling by representations regarding the entry or prospective entry into the neighborhood of a person or persons of a particular race, color, religion, sex, handicap, familial status, or national origin is prohibited.

The Act also prohibits the following in regards to mortgage lending based on the previously enumerated protected classes:

• Refusal to make or purchase a mortgage loan or provide information regarding loans

• Imposition of different terms/conditions on a loan or for purchasing a loan

• Discrimination in appraising property

While not all courts agree, most recognize home owners insurance as being covered by the Act - in large part because insurance is a prerequisite to obtaining a mortgage. In addition, while not a protected class within the Fair Housing Act, housing discrimination pertaining to household source of income such as tenant-based rental subsidies or public assistance has been addressed by HUD regulations for certain federally-financed or assisted housing programs. (For additional information, the HUD web site provides a complete listing of Federal Acts and Presidential Executive Orders that address housing discrimination.)

Finally, there are exceptions to the federal Fair Housing Act, which include:

• The sale or rental of owner-occupied buildings with no more than four units;

• The sale or rental of single-family housing without the use of a broker;

• Housing operated by organizations and private clubs that limit occupancy to members;

• Housing that meets the Fair Housing Act definition of "housing for older persons", provided that: 1) the U.S. Department of Housing and Urban Development has determined that the dwelling is specifically designed for and occupied by elderly persons under a Federal, State or local government program; or 2) it is occupied solely by persons who are 62 or older, or 3) it houses at least one person who is 55 or older in at least 80 percent of the occupied units, and adheres to a policy that demonstrates intent to house persons who are 55 or older.

With regard to state laws and local ordinances regarding housing discrimination, in 1976 the State of Michigan enacted the Elliot-Larson Civil Right Act, which in large part mirrors the federal housing law, but also added age and marital status as protected classes. In the same year, the State also enacted the Persons with Disabilities Civil Rights Act which, among other things, prohibited discriminatory practices in housing transactions including the refusal to allow reasonable modifications necessary for occupation of an apartment or house by a person with a disability.

A. Who Conducted

The 2014 Analysis of Impediments to Fair Housing Choice (AI) was prepared by the City of Midland in accordance with the Fair Housing Guide, published by the U.S. Department of Housing and Urban Development (HUD) with assistance from Crescent Consulting, Inc. a private planning consulting firm.

B. Participants

The City of Midland Housing Commission held two public community forums in July 2014 with representation from realtors, housing non-profits and social service agencies. Some of the participants in these forums included representatives from Affordable Housing Alliance, Legal Services of Eastern Michigan and Caregiving Network.

C. Methodology Used

The Analysis of Impediments involved the following process:
- A comprehensive review of the City's laws, regulations and administrative procedures, policies, and practices.
- An assessment of how those laws, etc. affect the location, availability, and accessibility of housing.
- An assessment of conditions, both public and private, affecting fair housing choice for all protected classes.

The information needed to conduct the Analysis of Impediments included the following:
- City of Midland Zoning Ordinance and Master Plan.
- City of Midland tax assessment/abatement practices.
- US Census 2010 Demographics and American Community Survey Data, 2008-2012
- Home Mortgage Disclosure Act (HMDA) Data for Midland County, 2012.
- Legal Services of Eastern Michigan Fair Housing Testing data, 2012-2014.
- Ten Year Plan to end Homelessness, 2006.
- 2006 City of Midland Analysis of Impediments to Fair Housing Choice.

D. How Funded

The Analysis of Impediments was funded with $5,000 from the Community Development Block Grant allocation for the City of Midland.

E. Conclusions

1. Impediments Found

Equal and fair access to residential housing is fundamental to meeting essential needs and pursuing personal, educational, employment, and other goals. Because housing choice is so critical, fair housing is a goal the City and the private market must achieve if equality of opportunity is to become a reality. In general, barriers and issues preventing fair housing from being accessed by vulnerable populations such as racial minorities, low- to moderate-income individuals and the disabled include:

- Unequal socioeconomics by neighborhood limits access to housing, jobs, services, and transportation options.

- Residents are unable to find suitable housing for every life stage or income level within the same neighborhood, forcing residents to move from their neighborhood to a new neighborhood.
- Large swaths of the city feature homogeneous housing options, creating neighborhoods that are not responsive to changes in the housing market.
- Increases in lending standards and lower real estate prices have turned many homeowners into renters and visa-versa, which presents new challenges of costs, benefits or rights under the law associated with their new occupancy status.
- Decreased funds from the US Department of Housing and Urban Development present challenges in providing assistance at the same level on an annual basis.

2. Actions to Address Impediments

These impediments are present in the City of Midland at varying degrees and are identified here so that as we explore the demographic, income, fair housing testing and lending information we may be able to determine the extent to which these or other impediments exist and take action to address them. This Analysis of Impediments to Fair Housing Choice will explore the barriers and will address ways to increase fair access to the housing residents require.

II. Jurisdictional Background Data

A. Demographic Data

This section provides an overview of population, income, employment and housing data for the City of Midland. Public transportation is limited to Dial-a-Ride and the County Connection, both demand response providers, and is not covered as a data item in this section or in the study as a whole.

Demographic information compares primarily the US Census of 2010 and the American Community Survey from 2008-2012 at the census tract level. Several tracts span outside the City's boundaries. In these instances, the maps and data show the entire census tract in an effort to include the entire city as well as populations that affiliate with the city for housing choices.

All maps are formatted showing census tracts this way, however, data in tables may show information about the City proper only or about all census tract within which any part of the City is present. Each table will indicate the nature and source of the data.

Data alert: It is important to take note of the very small sample sizes that are being used to map the data by tract. In many cases the margin of error for the 2008-2012 American Community Survey data is larger than the findings themselves, which means that the data are only intended to show general characteristics in the City on a map, and are not reliable from a statistical standpoint, nor may they be used for purposes of determining actual location or causation of any presumed impediments to fair housing.

In the same way, the sample size and margins of error of aggregate data for all tracts, either as mapped or in table format, prohibit creating any reliable statistical measure intended to show

proof of discrimination in housing alternatives. Often regression analysis, intended to show a correlation among household type, race, and housing type, for instance, is used to highlight a commonality of sorts, and therefore a potential impediment to fair housing.

In the previous Fair Housing Plan for the City, an index of dissimilarity was used, which examined the percentage of each minority population by tract or township (the previous study included the county as a whole) and concluded that there was discrimination in housing because each minority population was not equally represented in each tract or municipality. The data used in the index was an accurate factual portrayal of the location of minority populations, but could not be used to conclude anything regarding discrimination with statistical reliability.

In this study we will examine the data and draw factual conclusions where possible, followed by qualitative conclusions, informed by the data, by those involved in the housing community, and the public, which will constitute our best information at this time. As with all worthy research, it is important to be persistent in seeking out other reliable data, both qualitative and quantitative, and be ready and willing to augment the study when it becomes available, reexamine conclusions, and change results if merited. The City of Midland is committed to doing this.

Table 1 – City of Midland Population Comparison, 2000 – 2010

Race	2000		2010		2000-2010
	#	%	#	%	Change as % of population
White	38,706	93.3	38,242	91.0	-2.3
African-American	759	1.7	764	1.8	+0.1
American Indian, Eskimo, Aleut	122	0.3	148	0.4	+0.1
Asian or Pacific Islander	1145	3.0	1,657	4.0	+1.0
Other Race	731	1.7	992	2.4	+0.7
TOTAL	41,463	100.0	41,803	100.0	+0.8
Hispanic origin	728	1.8	1,112	2.7	+0.9

Source: US Census 2000 and American Community Survey, 2008-2012
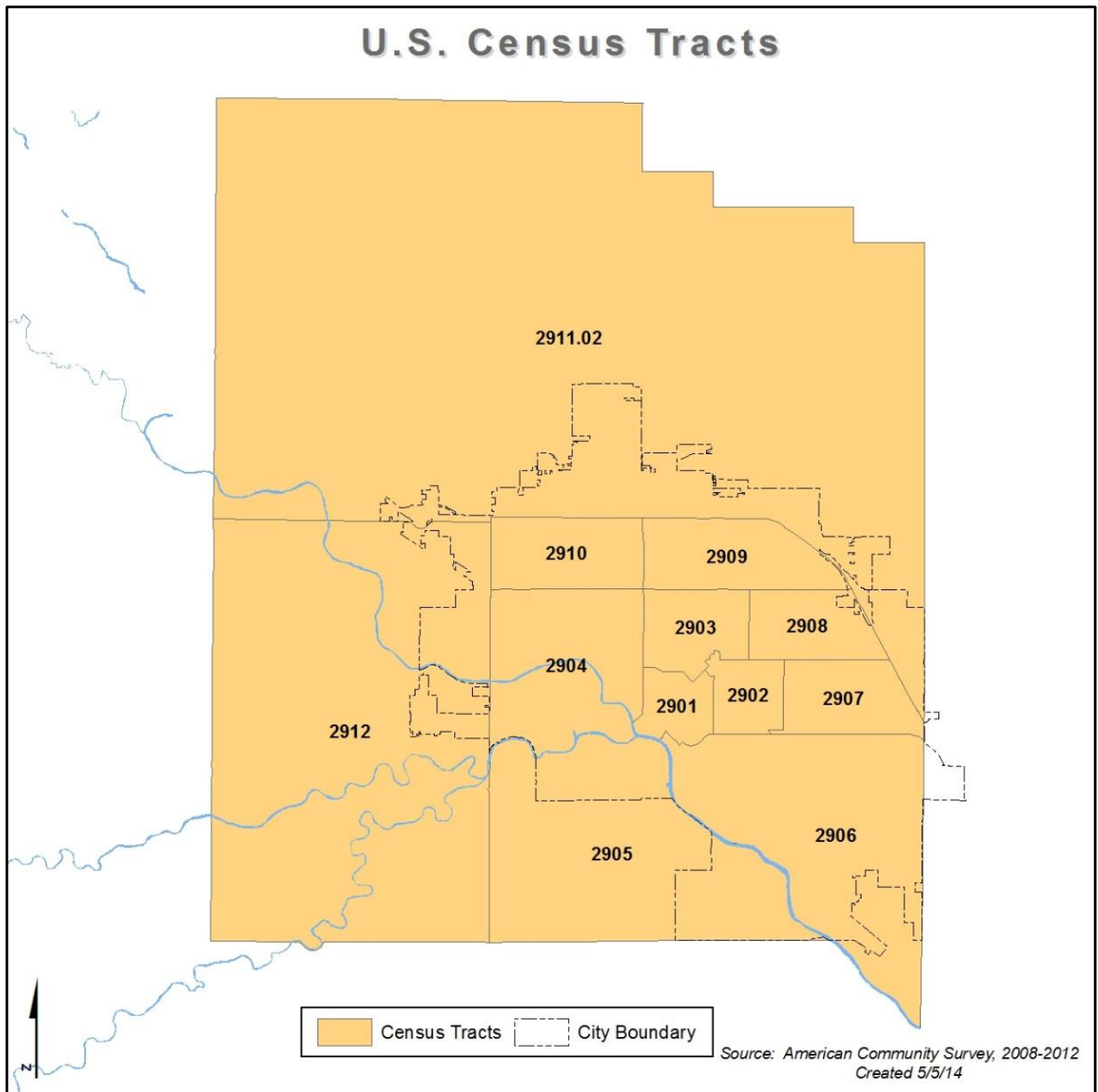
The census identifies five races, as shown in the table. People of Hispanic origin are represented in one or more of the races identified, and as such, the figure for people of Hispanic origin is not additive with any other figures in this table. Hispanic origin is identified as an ethnic minority by the Department of Housing and Urban Development (HUD) that may be used to discriminate in fair housing decisions.

Table 1 shows the population by race and Hispanic origin for the City of Midland for 2000 and 2010. The overall population of the City increased by just under 1% (0.8%) in the last ten years. The City of Midland is almost entirely comprised of white people, with 91% of the population reported as white. The white population is the only race that has decreased, down 2.3% between 2000 and 2010. The Asian or Pacific Islander population has increased by 1%, those identifying as of Hispanic origin by .9%, and other races have increased by .7%. The African American population has increased very slightly at .1%, as has the American Indian, Eskimo and Aleutian Islander population. These are very slight increases in non-white races and indicate a somewhat more diverse community with non-white people making up 8.6% of the population in 2010 (3,561) compared to 6.7% (2,757) in 2000.

Maps 1-6 compare total population and population by race and/or ethnic background in the census tracts in the City. These are mapped to show any clear changes in location for specific races or those of Hispanic origin in an effort to identify if specific races and/or ethnicities live in specific areas of the City and why. Later in this study we will show the data reported by the Home Mortgage Disclosure Act, which produces estimates of minority, housing and income data using census derived information.

Given that the population of American Indian, Eskimo or Aleutian Islander is very small and those identifying as "other races" is not group of the population that is identified by HUD as a protected class, these two categories of race are not examined further in this study.

Map 1 – Census Tracts

U.S. Census Tracts

2911.02

2910   2909

2903   2908

2904

2901   2902   2907

2912

2905   2906

Census Tracts   City Boundary

Source: American Community Survey, 2008-2012
Created 5/5/14

Map 2 – Percent Asian by Census Tract, 2000 & 2010
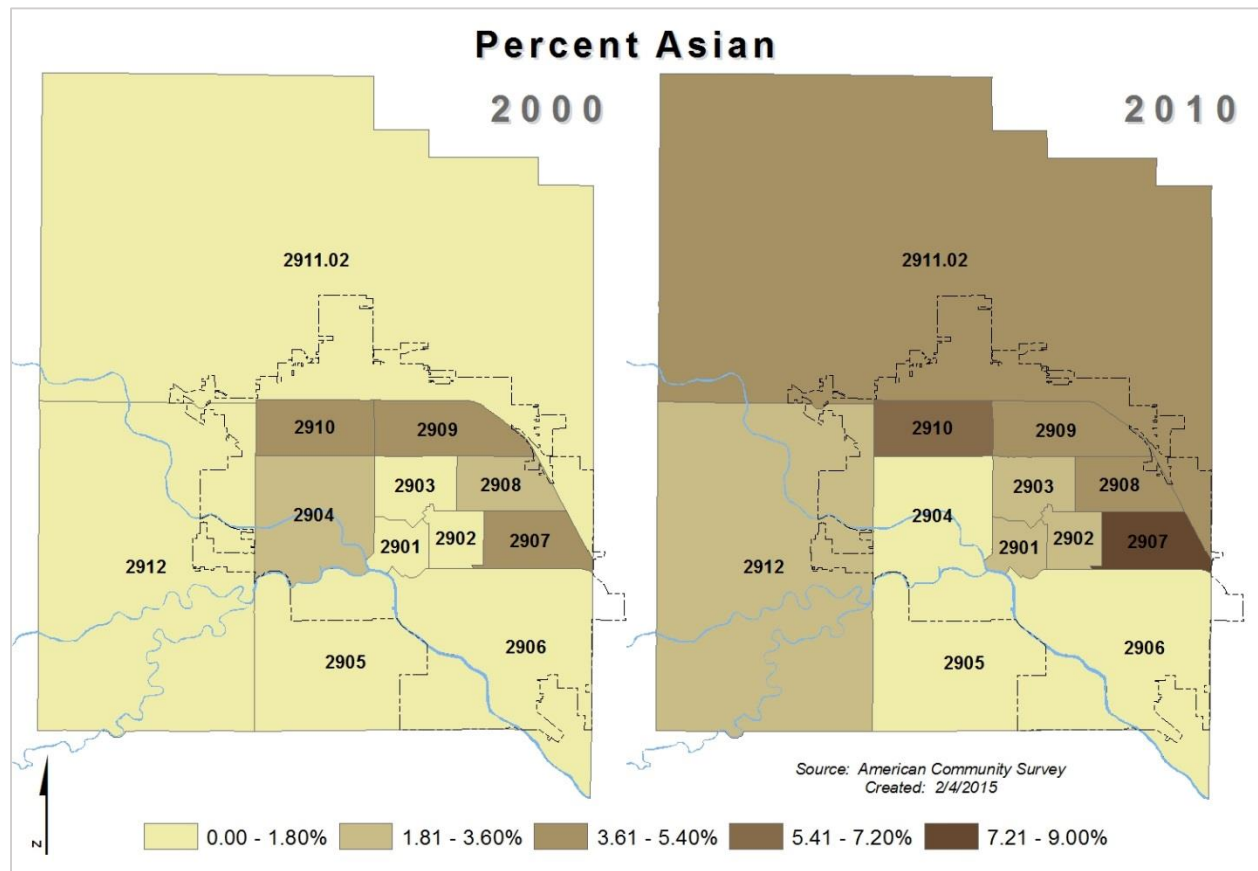
Comparing 2010 to 2000, the distribution of the Asian populace has become less concentrated in the city and more spread out through all census tracts encompassing the city.

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Map 3 – Percent Black or African American by Census Tract, 2000 & 2010
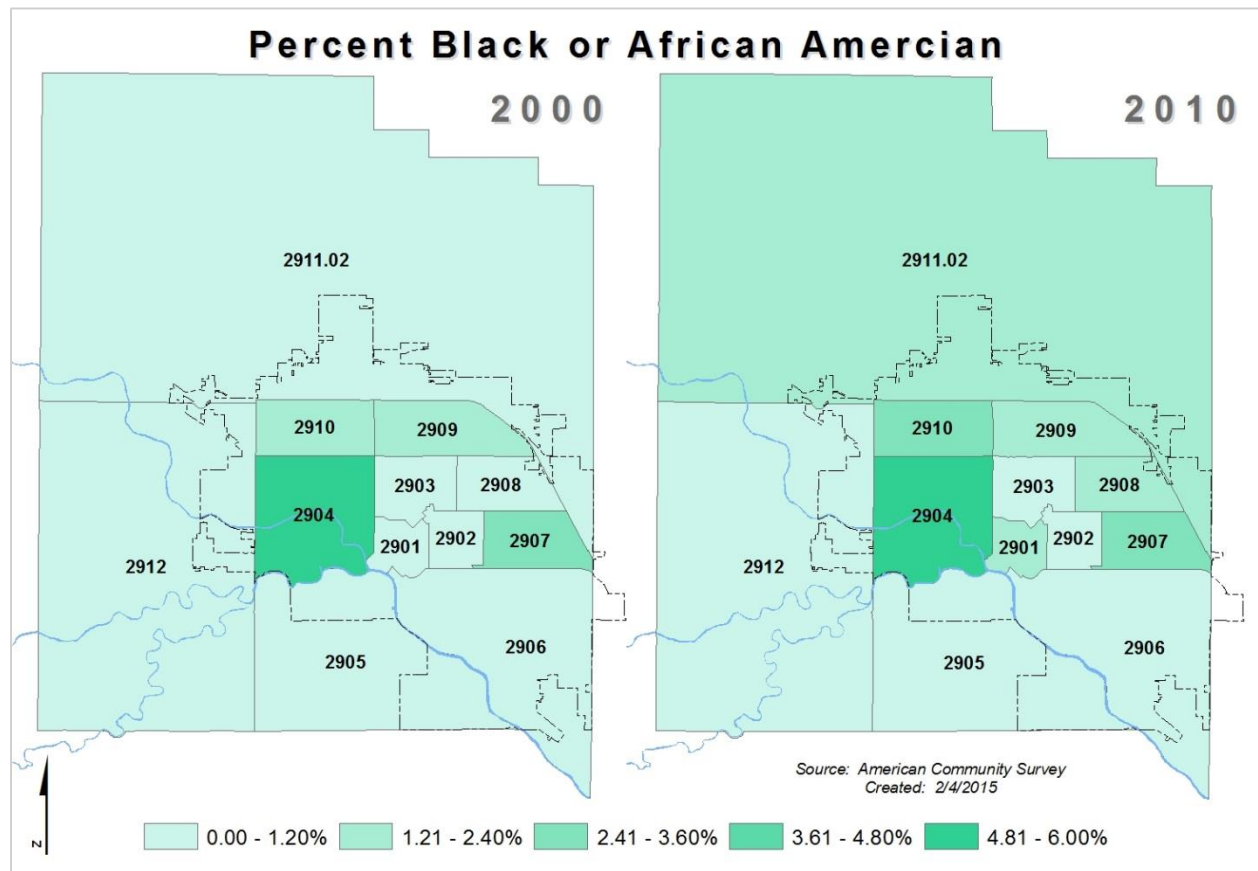
Comparing 2010 to 2000, a greater percentage of Black or African American residents live in most the census tracts encompassing the city.

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Map 4 – Percent Native Hawaiian or Other Pacific Islander, 2000 & 2010
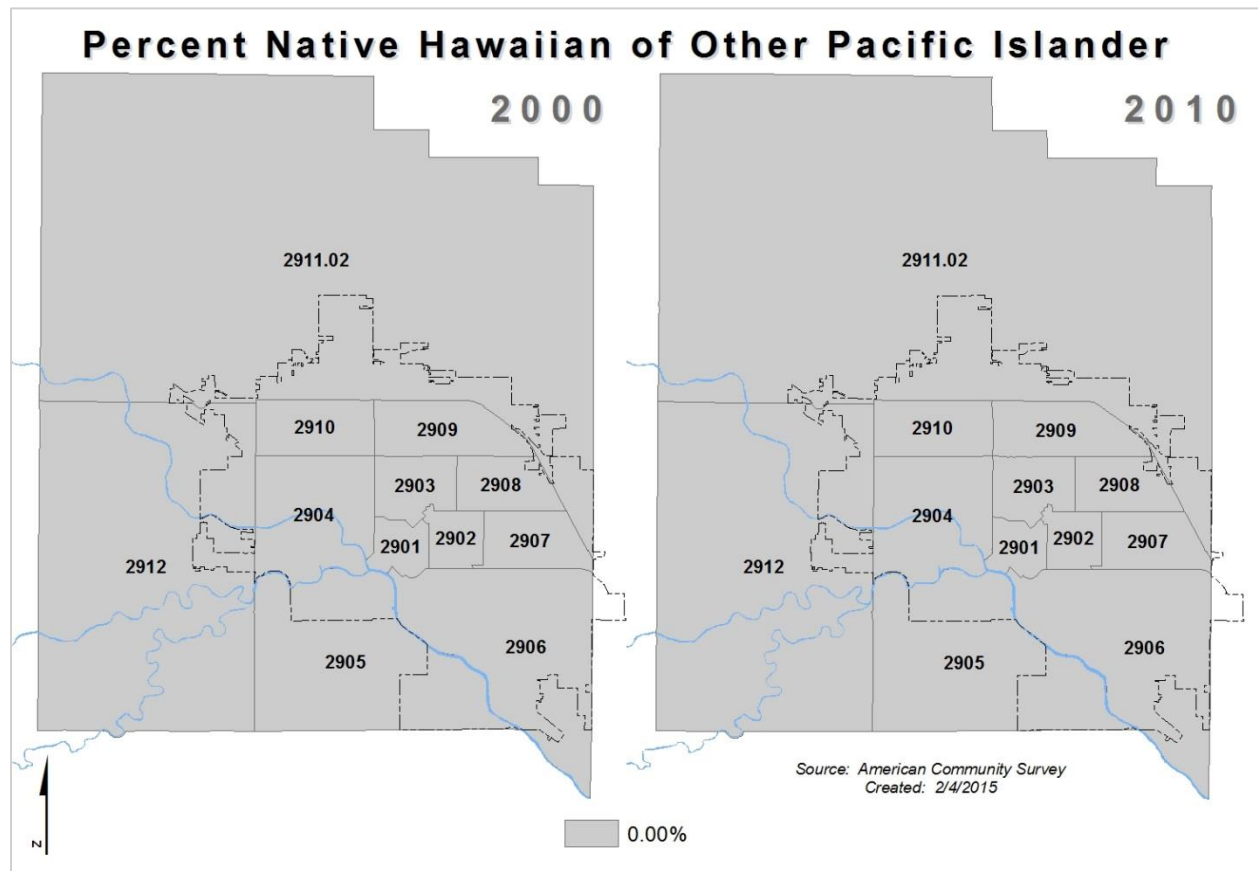
There is no notable change between 2000 and 2010 regarding the percentage of Native Hawaiian or other Pacific Islander residents in the city.

Map 5 – Percent American Indian or Alaska Native, 2000 & 2010
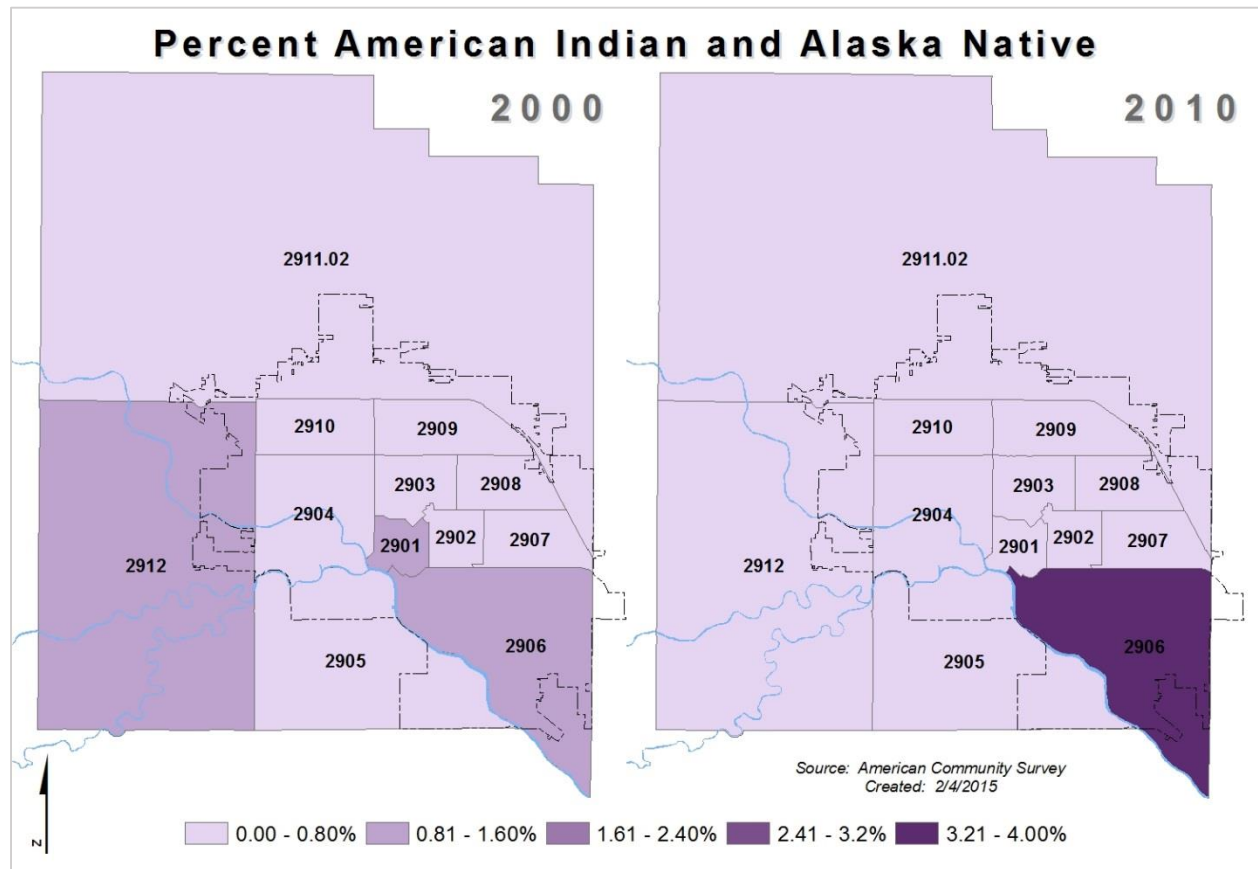
Comparing 2010 to 2000, the concentration of American Indian and Alaska Native has been to the southeast portion of the city in census tract 2906.

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Map 6 – Percent White, 2000 & 2010
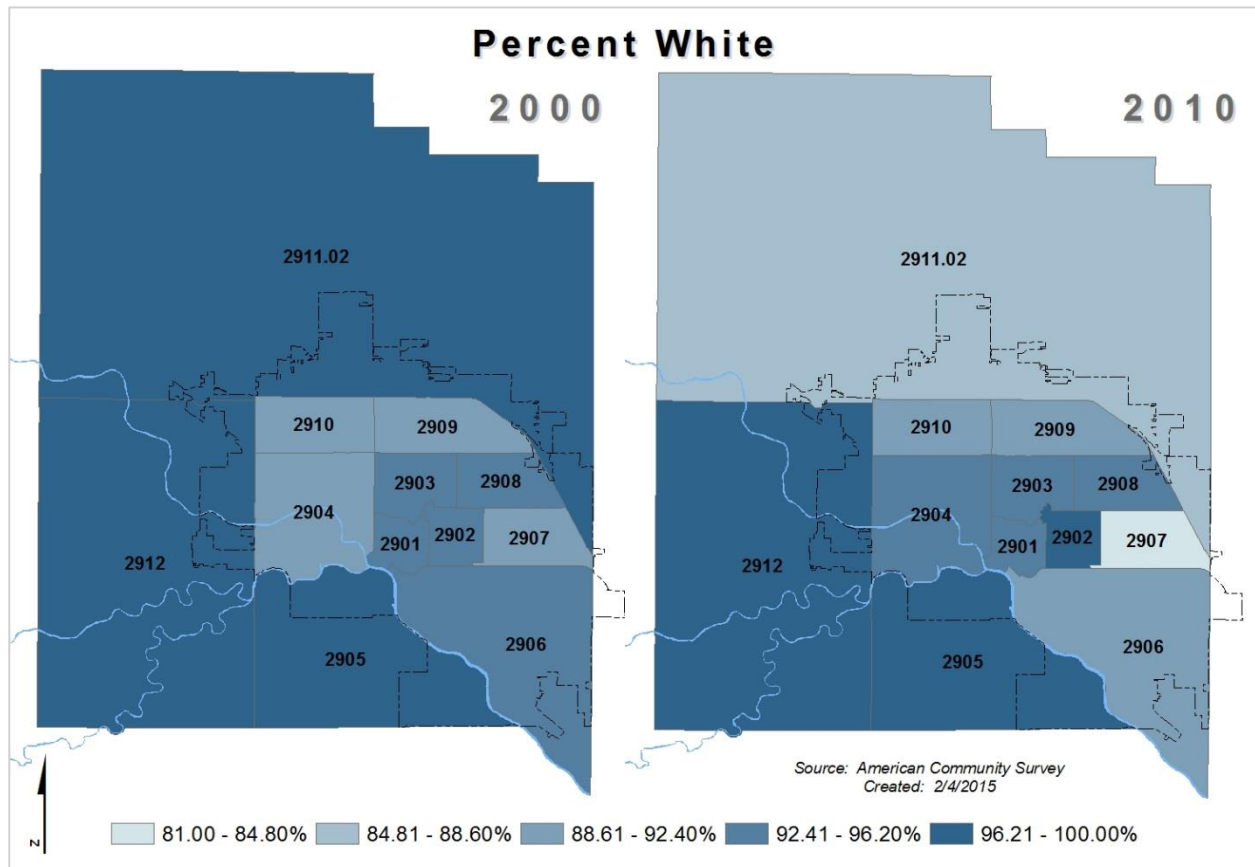
As a percent of total population, the White population has decreased or stayed the same between 2000 and 2010.

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Map 7 – Percent Hispanic or Latino, 2000 & 2010
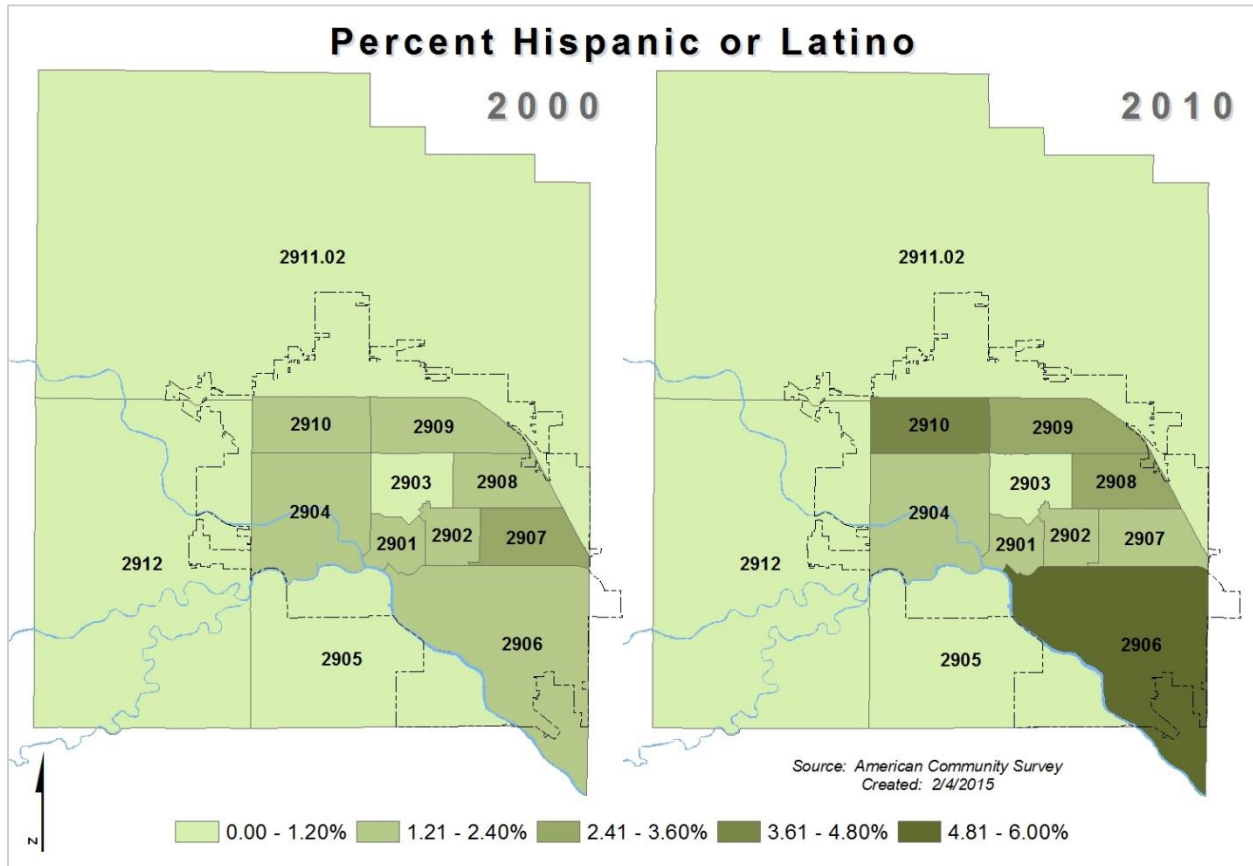
Comparing 2010 to 2000, the concentration of Hispanic or Latino has increased in the southeast portion of the city, census tract 2906.

Table 2 shows Household type by race as a percentage of the population of each race. This table indicates with shading, that the highest percentage of household type in the City are female householders with no husband or those living alone. Children may be present in each of these categories.   This is consistent across all races and those of Hispanic origin.

Table 2 – Household Type by Race, 2010

Family Type	White		Asian		African-American		Hispanic	
	#	%	#	%	#	%	#	%
Family Households	10,131	62	366	68	169	55	188	65
Married couple	7,987	79	335	92	108	64	121	64
Other family	2,144	21	31	8	61	36	67	36
Male householder, no wife	485	23	0	0	8	13	15	22
Female householder, no husband	1,659	77	31	100	53	87	52	78
Nonfamily households	6,308	38	170	32	137	45	100	35
Householder living alone	5,339	85	158	93	110	80	73	73
Householder not living alone	969	15	12	7	27	20	27	27
TOTAL	16,439	100	536	100	306	100	288	100

Source: US Census 2000 and American Community Survey, 2008-2012

Map 8 – Percent Female Householder with Children, 2010

Percent Female Head of Household with Children, 2010
by Census Tract
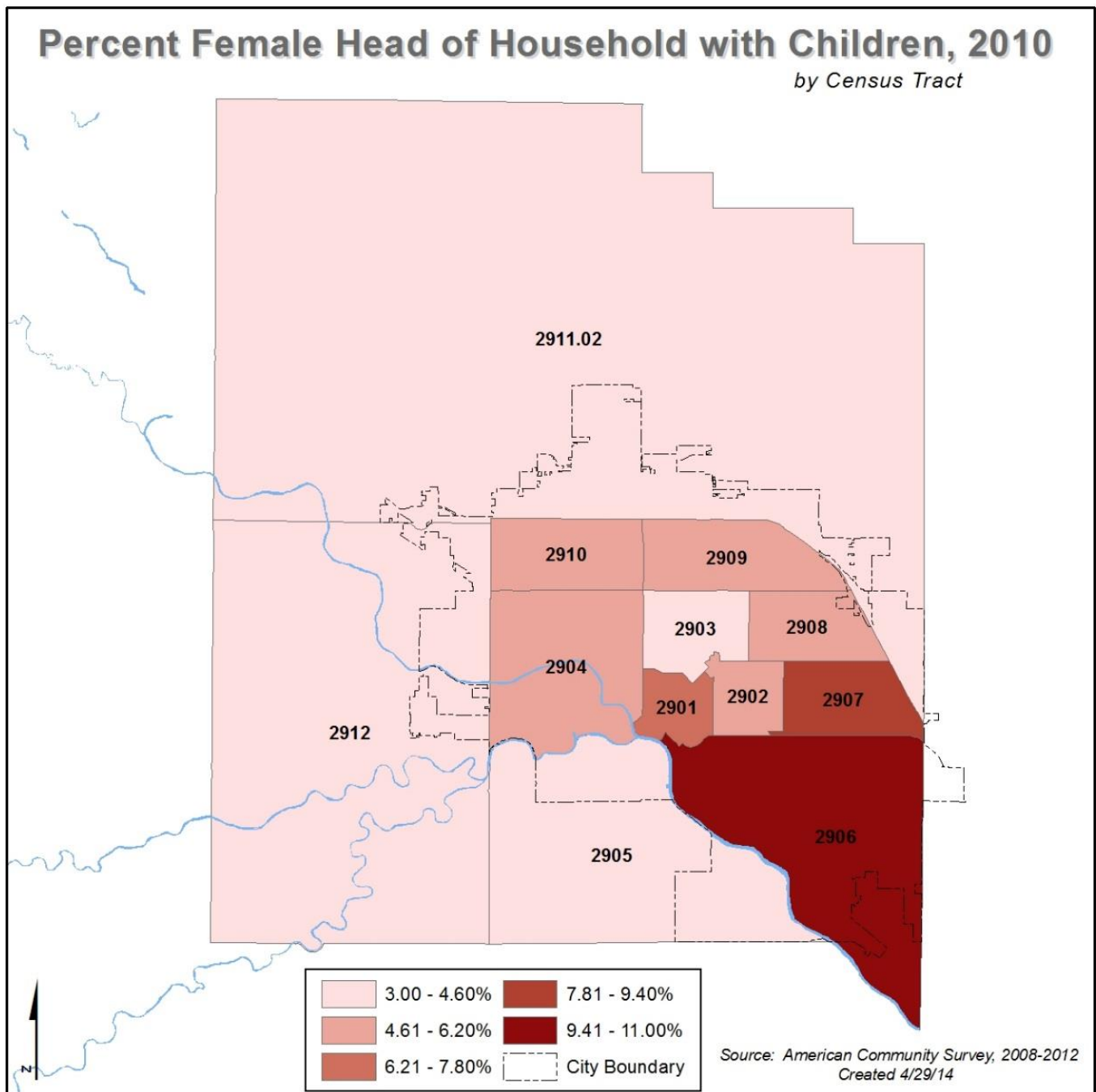
Map 8 indicates that the highest percentage of women householders with children are located in the southeast portion of the City in tracts 2906 and 2907. The presence of children is specifically identified as a protected class by HUD.

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B. Income Data

Income data analyzes the income class with respect to race/ethnicity/ family type and location, as well as the incidence of poverty.

Table 3 shows that the greatest percentage of population within each race in a particular income category is clustered between $10,000 - $29,999 for whites, between $100,000 - $124,999 for Asians, between $20,000 - $29,999 for African Americans and between $20,000 - $39,999 for Hispanics. The income of whites is more evenly distributed among all income classes than in other races.

Table 3 – Households by Race by income, 2010

Income Class	White		Asian		African-American		Hispanic	
	#	%	#	%	#	%	#	%
Less than $10,000	1085	7	53	10	26	8	35	12
$10,000 to $19,999	2000	12	30	6	8	3	30	10
$20,000 to $29,999	1926	12	14	3	119	39	52	18
$30,000 to $39,999	1585	10	0	0	35	11	48	17
$40,000 to $49,999	1568	10	39	7	0	0	9	3
$50,000 to $59,999	1381	8	0	0	20	7	6	2
$60,000 to $74,999	1552	9	87	16	0	0	0	0
$75,000 to $99,999	1653	10	65	12	44	14	27	9
$100,000 to $124,999	1074	7	118	22	0	0	9	3
$125,000 to $149,999	787	5	37	7	12	4	46	16
$150,000 to $199,999	817	5	7	1	28	9	26	9
$200,000 or more	980	6	86	16	14	5	0	0
TOTAL	16439	100	536	100	306	100	288	100

Source: US Census 2000 and American Community Survey, 2008-2012

Chart 1 shows this same information in graphical format, highlighting the much higher percentage of African Americans and some Hispanics at the lower end of the income scale and Asians and some Hispanics at the higher end of the same scale. Income is a factor that positively influences the ability to find adequate housing due to increased choices, however, it does not preclude possible discrimination. Lack of income limits housing choice, which may lead to more people living in inadequate housing, either in terms of size or quality, among this smaller subset of housing.

Chart 1 – Percent of Households by income class by race, 2008-2012

Percent of Housholds by Income by Race
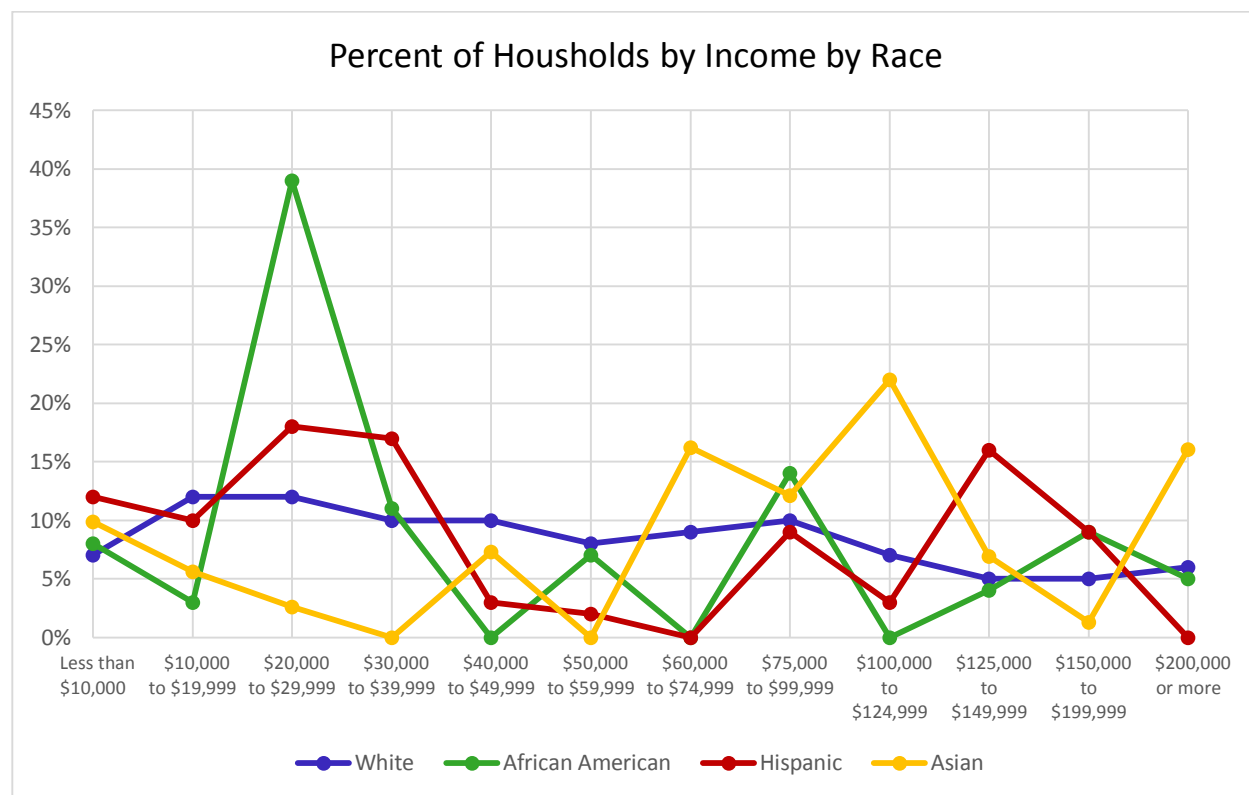
Source: US Census 2000 and American Community Survey, 2008-2012

Table 4 – Income in the last 12 months at or Below Poverty level by race, 2008-2012

Age Group	White		Asian		African-American		Hispanic	
	# in poverty	%	# in poverty	%	# in poverty	%	# in poverty	%
Male:	2,766	44	63	74	88	73	134	52
Under 5 years	324	12	0	0	7	8	7	5
5 to 17 years	457	17	0	0	0	0	27	20
18 to 24 years	733	27	15	24	14	16	665	49
25 to 64 years	1,098	40	48	76	59	67	35	26
65 to 74 years	62	2	0	0	8	9	0	0
75 and over	92	3	0	0	0	0	0	0
Female:	3,499	56	22	26	33	27	123	48
Under 5 years	271	8	0	0	0	0	12	10
5 to 17 years	640	18	0	0	0	0	14	11
18 to 24 years	554	16	0	0	25	76	10	8
25 to 64 years	1,714	49	22	100	8	24	73	59
65 to 74 years	140	4	0	0	0	0	0	0
75 and over	180	5	0	0	0	0	14	11
TOTAL	6,265		85		121		257	

Source: American Community Survey, 2008-2012

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Table 4 reports the number and percent of people for whom income was at or below poverty rate in the last 12 months. Once again, given the very small sample size and the large margins of error in the data, the percentage are not reliable figures of poverty but are shown here as the best information available. The data does show that among whites, there is a greater percentage of females in poverty, and of all females, children make up 26% of the poor. Among white males, children comprise 29% of the poor. Among the African American and Asian population, the poorest age groups are in the primary working years of 25 to 64 for men. In the Hispanic population in Midland, poverty is concentrated heavily in young males, 18-24, at 49% of all males for who poverty status is determined.

C. Employment Data

This section examines unemployment rates. The highest unemployment rates are among African Americans and Hispanics, who also have the highest participation in the labor force as a percentage of the overall population. Unemployment within these two groups, both at 15%, is more than double that of Asians and Whites, both at 7%.

Table 5- Employment status by race

Employment status	White		Asian		African-American		Hispanic	
	#	%	#	%	#	%	#	%
In labor force	18,718	61	781	63	488	72	534	73
Armed forces	0	0	0	0	0	0	0	0
Civilian	18,718	100	781	100	488	100	534	100
Employed	17,469	93	728	93	415	85	455	85
unemployed	1,249	7	53	7	73	15	79	15
Not in labor force	11,883	39	454	37	190	28	195	27
TOTAL	30,601	100	1,235	100	678	100	729	100

Source: US Census 2000 and American Community Survey, 2008-2012

Map 9 – Unemployment rate, 2010
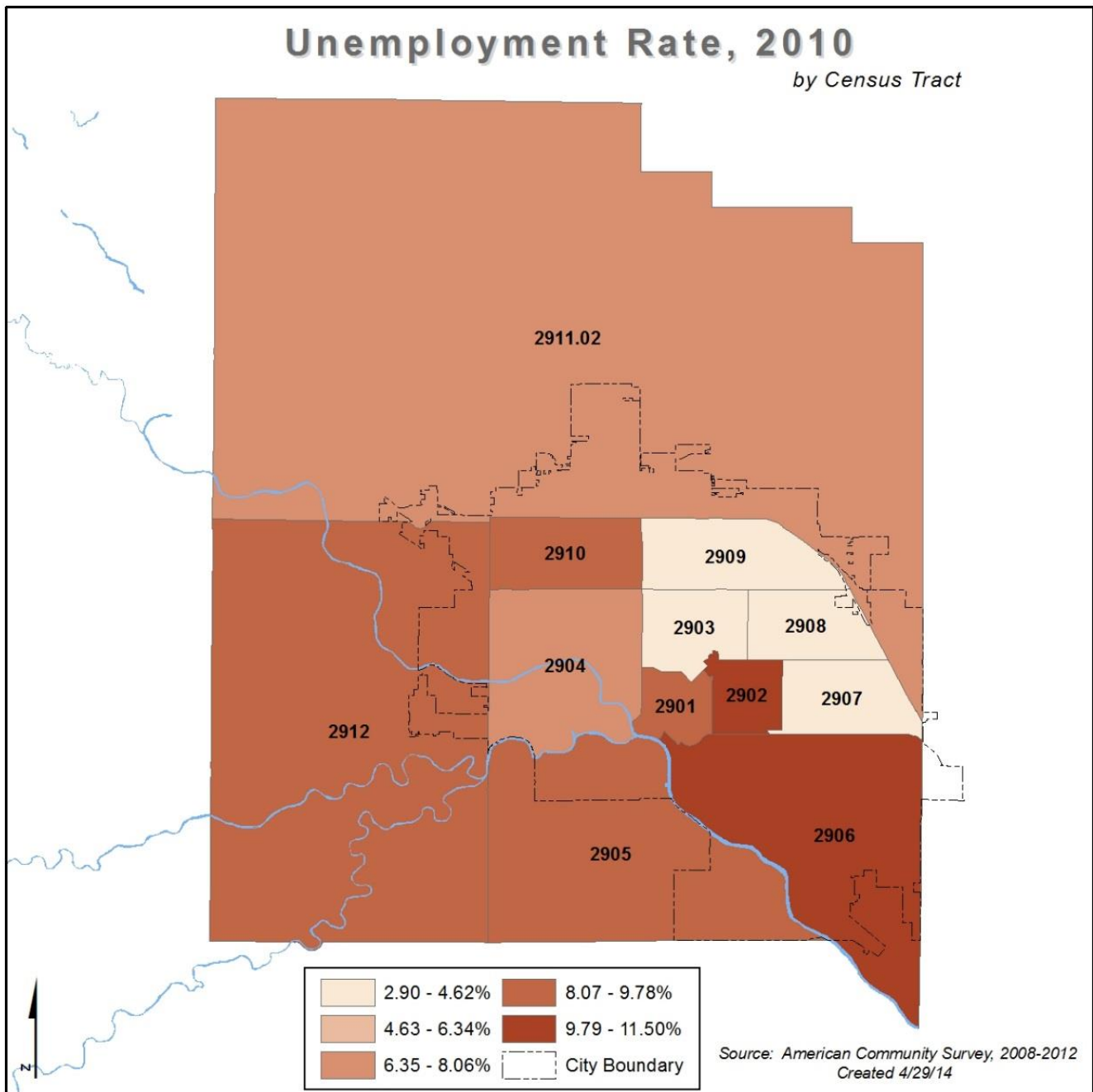
The Unemployment map shows that the highest rates for all persons are concentrated in the southeast portion of the City in census tracts 2902 and 2906.

D. Housing Profile

This section looks at housing stock, age of housing stock, vacancy rates, tenure and cost burdens.

Owner occupied housing units has declined in the City of Midland from 71% of all units to 69%. This is consistent with the state as a whole, reflecting the downturn in the economy and the local job market, leaving more people with fewer ownership housing choices and income. Conversely, renter occupied units increased by the same percentage points that the owner occupied units fell. Vacancy remained the same at 5%, just above national average of 4%.

Table 6 - Tenure for housing, 2000, 2008-2012

	2000		2010	
Housing Units	**#**	**%**	**#**	**%**
Owner occupied	16,822	71	17,498	69
Renter occupied	5,694	24	6,515	26
Vacant	1,303	5	1,219	5
TOTAL	23,819	100	25,232	100

Source: US Census 2000 and American Community Survey, 2008-2012

Table 7 shows that housing type is still heavily weighted in the City with single family detached units. Keeping in mind that these figures represent areas outside the City that are part of census tracts that are within the City, the total housing unit type includes almost 20% multiple family with another 3% being mobile homes. The sufficiency of affordable housing is not indicated by these figures but is determined by the housing cost burden represented in the figures that follow

Table 7 – Housing type, 2008-2012

Units in Structure	**#**	**%**
Single family detached	11,727	67
Single family attached	797	5
2-4 units	1,142	7
Multifamily	3,358	19
Mobile home or other	527	3
TOTAL	17,551	100

Source: American Community Survey, 2008-2012

Table 8 represents the age of the housing in the City. The highest percentage are those built in the 1950's when there was a nationwide housing boom to house returning veterans starting families. In Midland, the following three decades, 1960-1990, also have strong representation in the age of housing stock. This is the primary time period when the local corporations grew in size, bringing families in need of housing to Midland. As with the "type of housing" chart, these figures do not indicate adequacy of housing.

Table 8 – Age of Housing Stock, 2008-2012

Year built	#	%
Pre 1939	1557	8
1940-1949	1315	7
1950-1959	3453	19
1960-1969	2557	14
1970-1979	3282	18
1980-1989	2811	15
1990-1999	2219	12
2000-2010	1135	6
2010-2012[1]	8	0
TOTAL	**18337**	**100**

Source: American Community Survey, 2008-2012

1 – This category represents only two years rather than at least a decade as represented by all other categories.

Table 9 reports the disparity in home ownership by race in the City. Of all owner occupied units, 67% are occupied by whites, followed by 57% by Hispanics, and 42% and 41% respectively for African Americans and Asians. As we might expect, Asians and African Americans occupy rental units at similar rates in the high 50 percentiles. Hispanics follow at 43% with the lowest renter occupy being among whites at 33%.

Table 9 - Tenure by Race, 2008-2012

|	Owner occupied	Renter occupied
Tenure by race	**%**	**%**
White	67	33
Asian	41	59
African-American	42	58
Hispanic	57	43

Source: American Community Survey, 2008-2012

Map 10 – Percent Single Family Housing units 2010
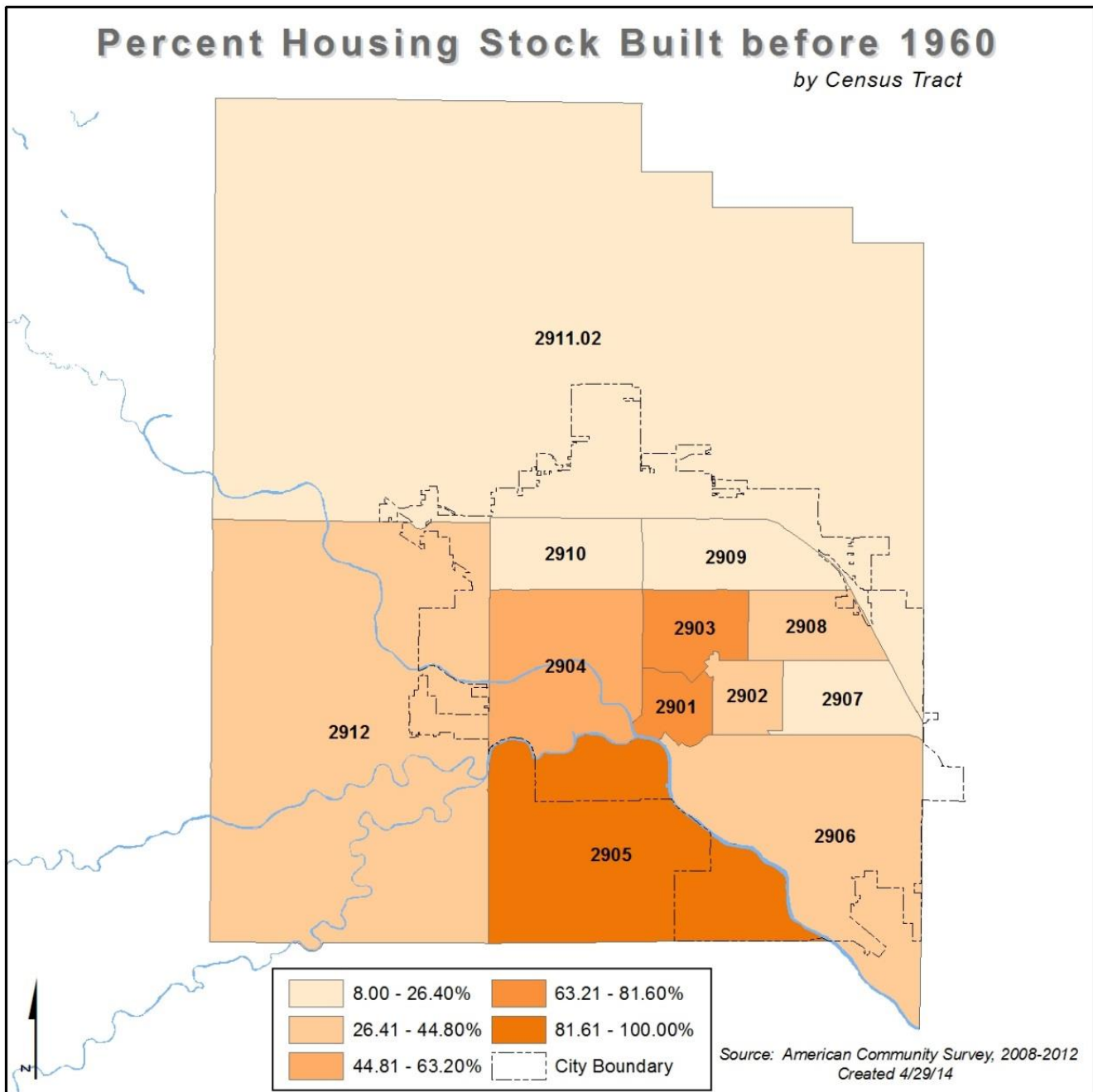

Percent Single Family Units, 2010
by Census Tract
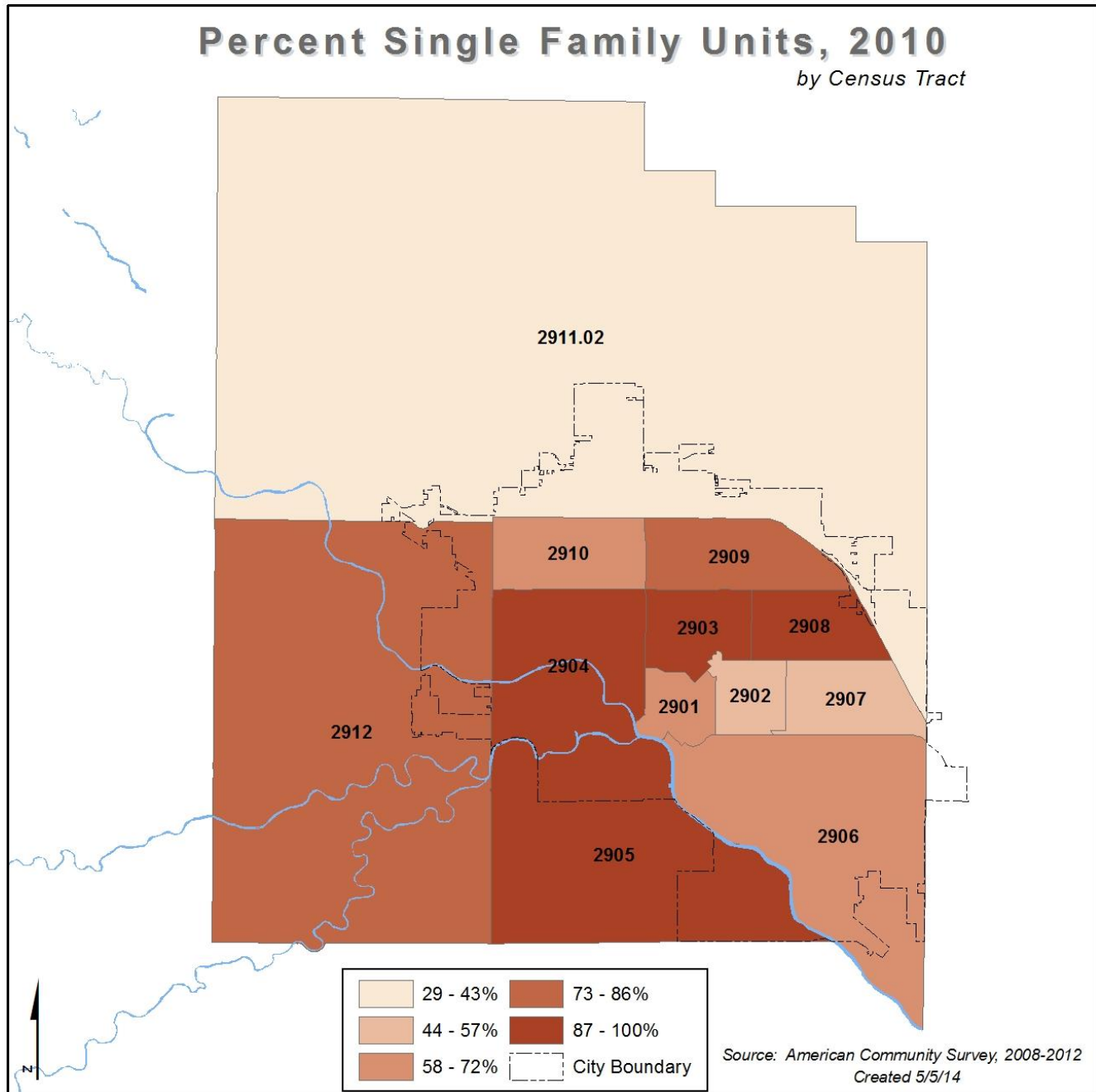
The highest concentration of single-family units within the city is located in tracts 2903, 2904 and 2908.

**Map 11 - Percent Multiple Family Housing Units, 2010**
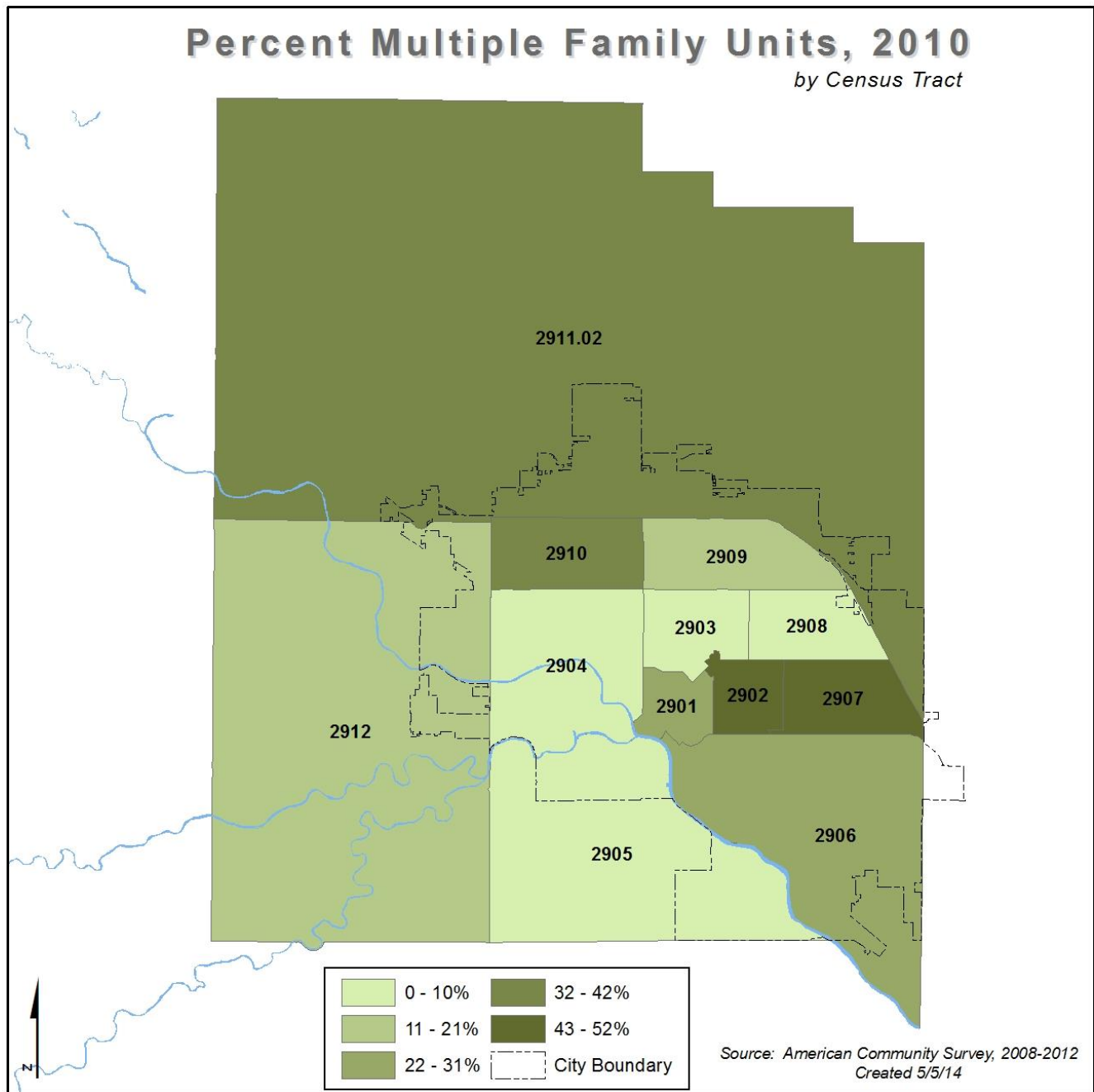
The highest percentage of multiple-family housing is located in tracts 2902 and 2907.

Map 12 – Percent pre 1970 Housing Stock

The oldest housing stock in the City, those units built before 1960, are concentrated in the southwest portion of the city and an area of Midland Township that is part of tract 2905, followed by the central area in tracts 2901 and 2903. It is interesting to note that the housing stock in the southeast portion of the city, tract 2906, which also represents the highest level of female householders with children and people with the lowest income, has housing stock that is of the same age or newer than the majority of the City. Quality of housing may or may not be directly correlated to the age of housing, however the value of housing in this area is the lowest in the City, as is shown later in Map 14.

Map 13 – Median Contract Rent, 2010
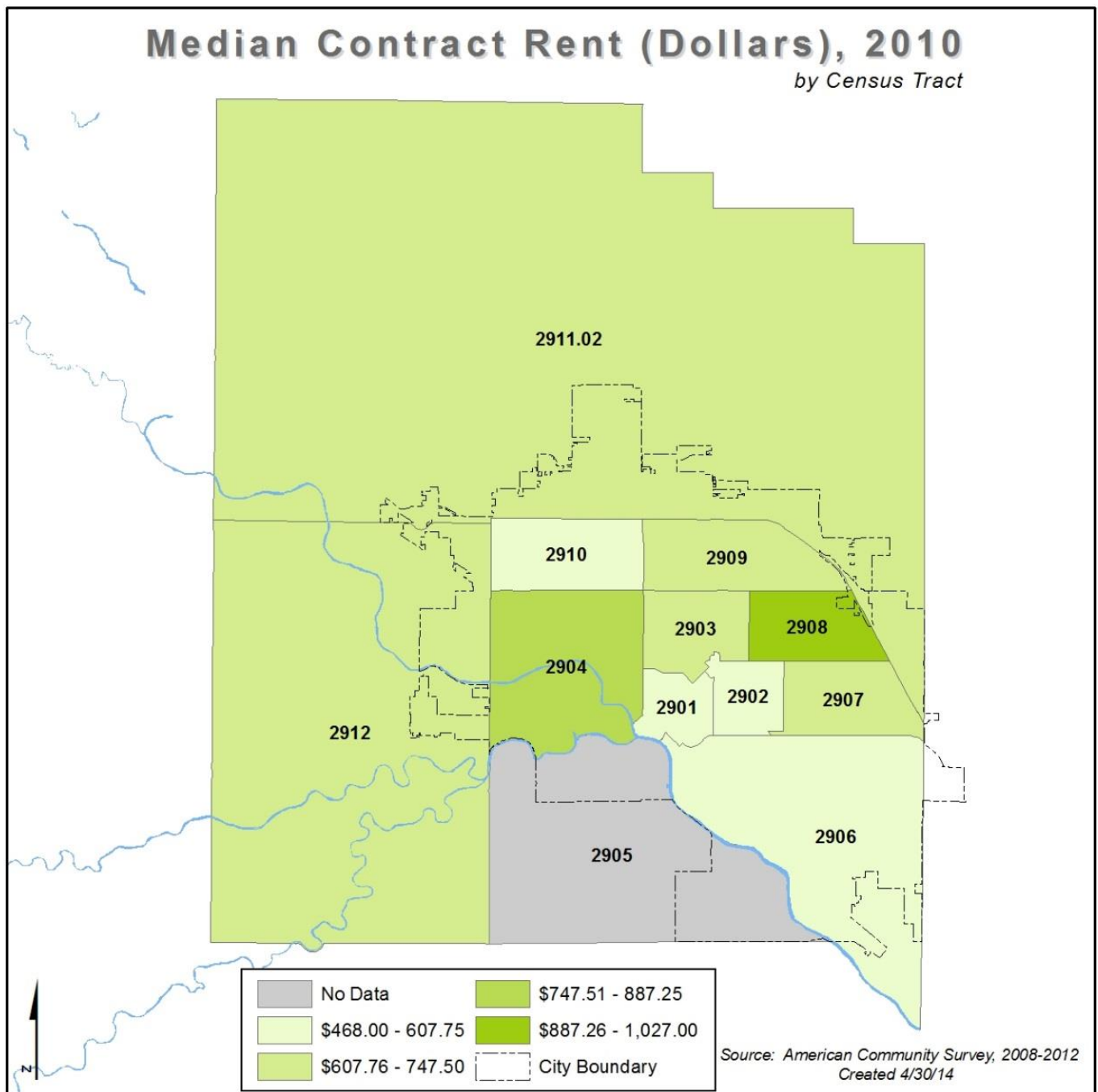
Median contract rent is lowest in tracts 2901, 2902 and 2906, consistent with the highest percentage of female householders with children.

Map 14 – Median Housing Value, 2010
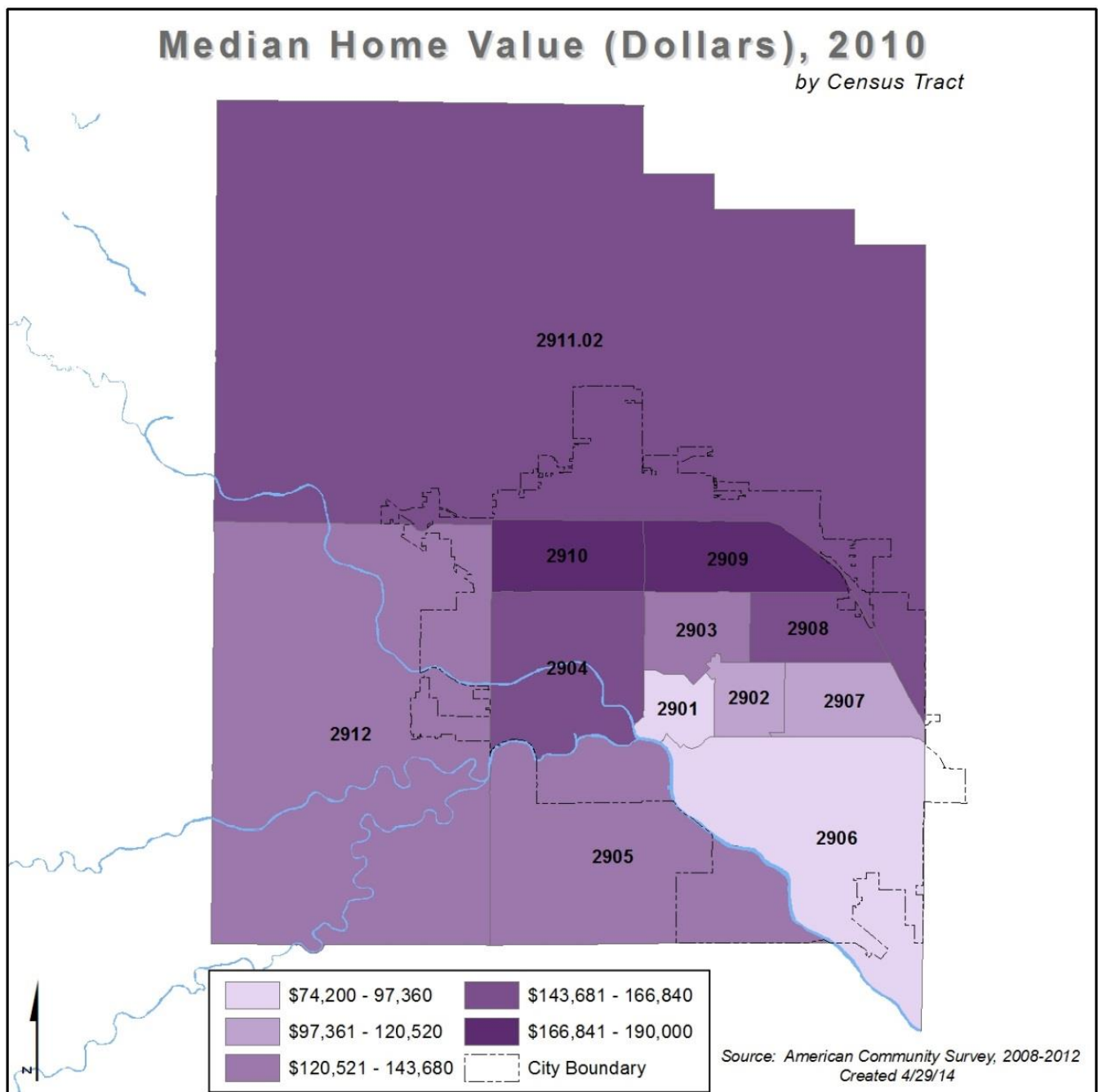
Consistent with other geographic tract data indication housing choices and needs, the southeast and central portions of the City has the lowest house value in the community. The highest value is in the northern part of the City where the newer, single family homes have been constructed.

February 2015 draft

The cost burden is the ratio of housing costs to household income. For renters, housing cost is gross rent (contract rent plus utilities.) For owners, housing cost is referred to as "select monthly owner costs" which includes mortgage payment, utilities, association fees, insurance and real estate taxes.

The cost burden is computed by HUD based on three levels of HUD Area Median Family Income (HAMFI). The table shows the overall income distribution as a percentage of the costs spent on housing. As demonstrated in the Income Distribution Overview portion of Table 10, the household income of greater than 100% of HAMFI represents 7,350 of all homeowners, or 64%, well over the majority of all home owners. As is expected, home ownership decreases as income as a percentage of housing cost decreases, to a low of 530 home owners in the less than or equal to 30% of HAMFI category.   Among renters, this figure is spread more evenly among income levels with renters making up the majority of the lower income categories as a percentage of HAMFI categories.

The HAMFI is measured in the three levels shown in the table below.   In the Housing Cost Burden section of Table 10, a cost burden of ≤ 30% means that less than or equal to 30% of all household income is spent on housing. This is the largest category for both renters and owners and is considered a safe level by many lenders and financial advisors. However, many people spend more than this on housing due to lack of income, lack of housing choice, discrimination, or several other primary reasons that this study is intended to try to identify.

Table 10 – Cost Burden by Income and Tenure, 2012

Income Distribution Overview	Owner	Renter	Total
Household Income <= 30% HAMFI	530	1440	1970
Household Income >30% to <=50% HAMFI	795	1725	2520
Household Income >50% to <=80% HAMFI	1540	1145	2685
Household Income >80% to <=100% HAMFI	1315	495	1810
Household Income >100% HAMFI	7350	1265	8615
Total	11530	6070	17600
Housing Cost Burden Overview 3	Owner	Renter	Total
Cost Burden <=30%	9375	3020	12395
Cost Burden >30% to <=50%	1315	1785	3100
Cost Burden >50%	785	1199	1984
Cost Burden not available	55	70	125
Total	11530	6070	17600

The following three sections of this table measure the income by cost burden for owners and renters together and then separately for owners and for renters.   The lower a household income as a percentage of HAMFI and the higher the cost burden, the more distressed the financial, and likely housing, condition of the family. For instance, people with a household income less than or equal to 30% of the HUD Area Median Family Income and a cost burden of greater than 50%, are most stressed in their financial and housing situations. This category is highlighted in blue in the first table in this section as an example.

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The number of people in each category decreases as income increases as is shown with the blue arrow. This is true for owners and renters combined and separately only to a lesser extent with renters alone and even lesser extent with owners. This is logical, as people with the lowest income are paying the greatest percentage of that income for housing. Housing in not an elastic good. There is a limited amount of variation in the cost of housing and we all must have it, so a lack of choice, one of the impediments to finding housing, is especially detrimental to this low income group of people. People who are able to purchase a house generally have more income and so there are fewer of them in the very distressed category.

Ideally, the goal of adequate housing in a community is to have housing that meets all income levels without an undue burden. We use tables such as these to identify the number and trends of this groups of people seeking housing in both the rental and owner categories. This table tells us that in Midland there is a need for more very low income and low income housing. It does not indicate that that lack is due to an impediment, only that the situation exists.

	Cost burden		
Income by Cost Burden (Owners and Renters)	**> 30%**	**> 50%**	**Total**
Household Income <= 30% HAMFI	1620	1175	1970
Household Income >30% to <=50% HAMFI	1790	535	2525
Household Income >50% to <=80% HAMFI	965	180	2655
Household Income >80% to <=100% HAMFI	320	60	1810
Household Income >100% HAMFI	390	35	8570
Total	5085	1985	17530

	Cost burden		
Income by Cost Burden (Renters only)	**> 30%**	**> 50%**	**Total**
Household Income <= 30% HAMFI	1215	890	1440
Household Income >30% to <=50% HAMFI	1245	245	1740
Household Income >50% to <=80% HAMFI	405	50	1145
Household Income >80% to <=100% HAMFI	49	4	495
Household Income >100% HAMFI	70	10	1265
Total	2984	1199	6085

|	Cost burden		
Income by Cost Burden (Owners only)	**> 30%**	**> 50%**	**Total**
Household Income <= 30% HAMFI	405	285	530
Household Income >30% to <=50% HAMFI	545	290	785
Household Income >50% to <=80% HAMFI	560	130	1510
Household Income >80% to <=100% HAMFI	270	55	1315
Household Income >100% HAMFI	320	25	7305
Total	2100	785	11445.

Source: HUD Comprehensive Affordability Strategy (CHAS) Tables, 2012.

Map 15 – Median Household Income, 2010
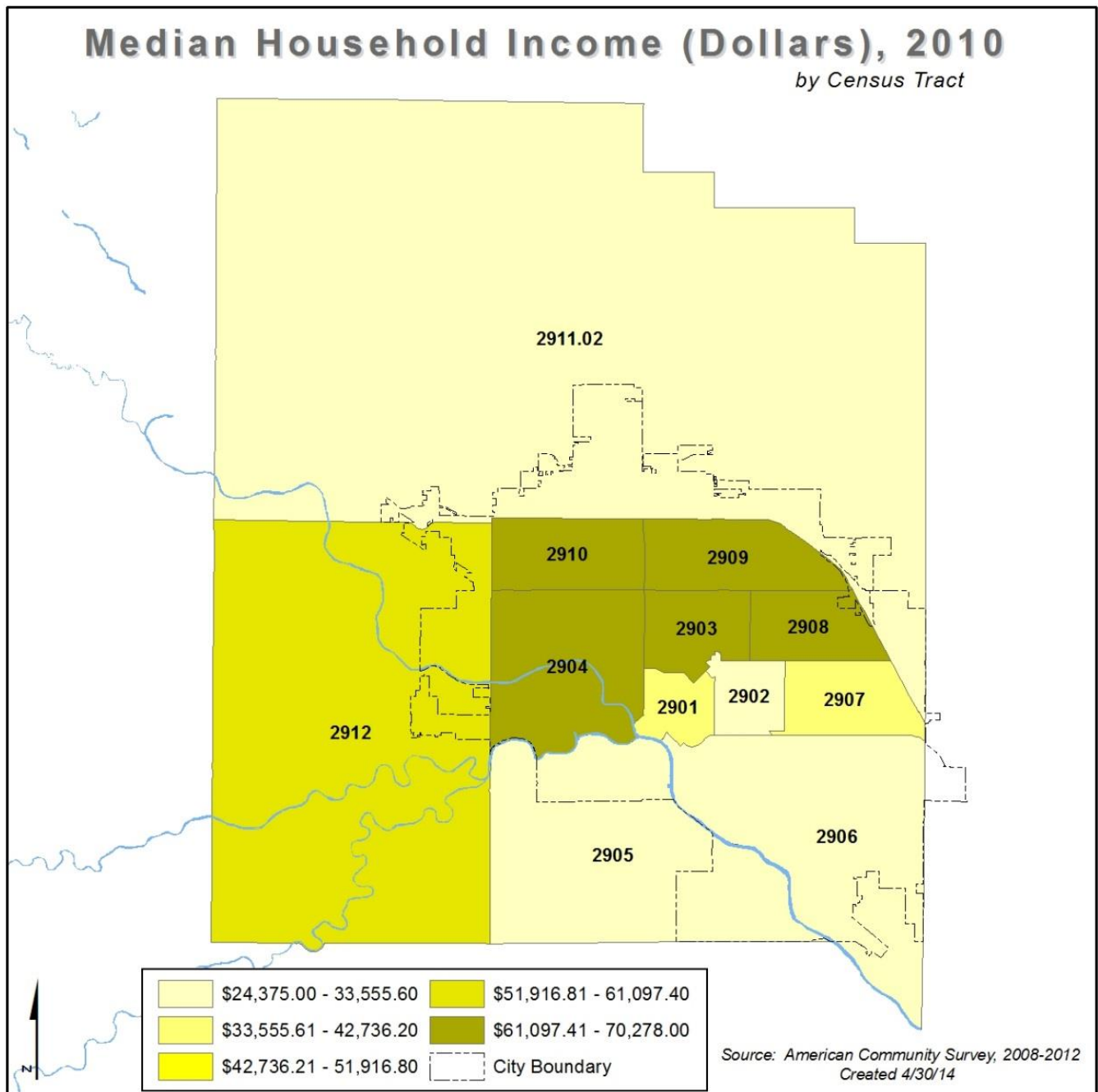
Map 15 shows that the highest income people live in the north and west side of the City where housing value is highest and the presence of several protected groups is lowest.

Map 16 – Income Level Designation, 2014

Income Level Designation, 2014
by Census Tract
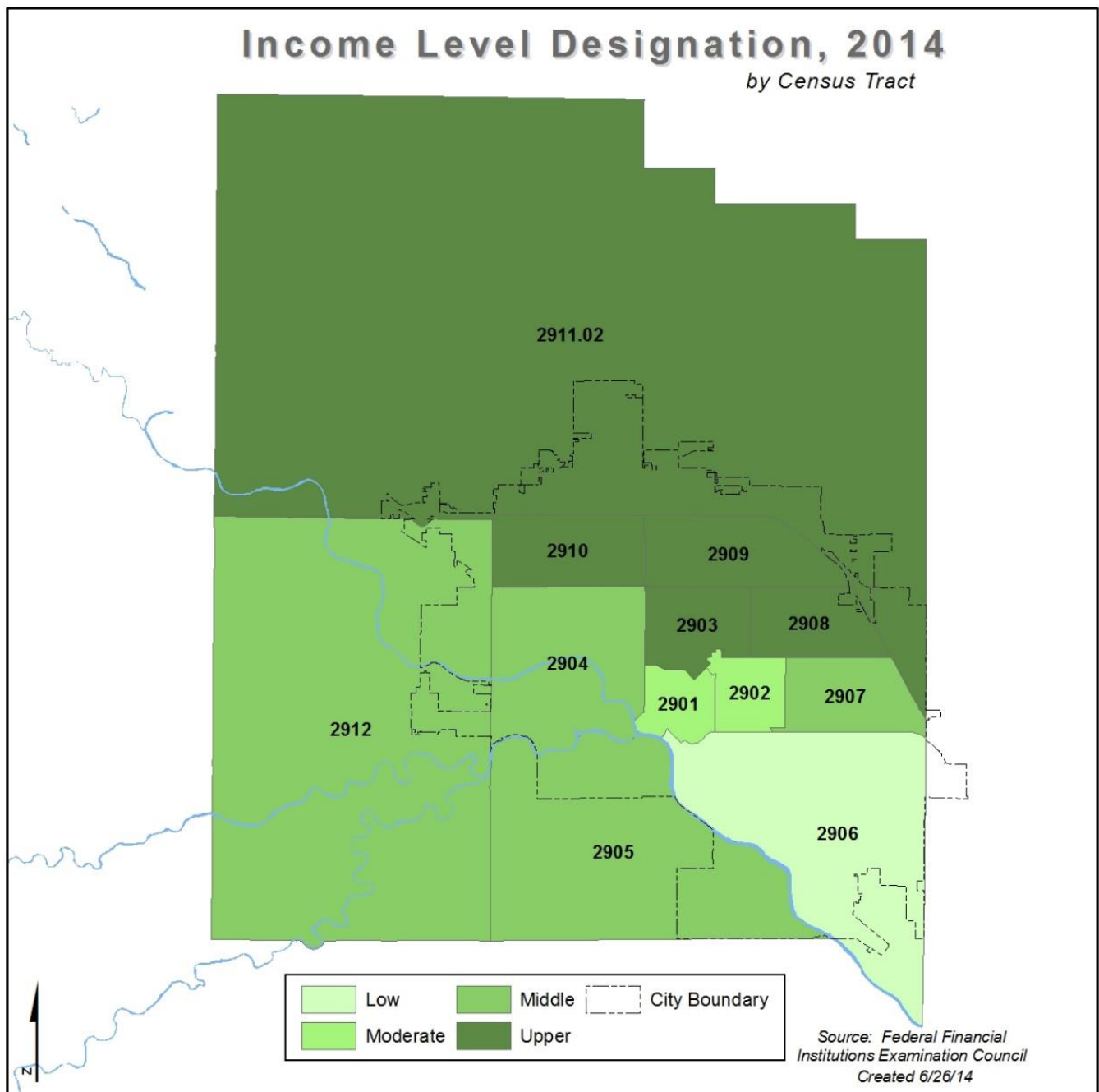
Map 16 shows the income level designations as report by the Federal Financial Institutions Examination Council which is based off of the American Community Survey. Three census tracts within the City of Midland are designated either low or moderate-income in 2014.

III. Evaluation of Jurisdiction's Current Fair Housing Legal Status

A. Fair housing complaints or compliance reviews where the Secretary has issued a charge of or made a finding of discrimination

There have been no fair housing complaints or compliance reviews where the Secretary has issued a charge or made a finding of discrimination in the City of Midland in the previous eight years.

B. Fair housing discrimination suit filed by the Department of Justice or private Plaintiffs

There have been no fair housing discrimination suits filed by the Department of Justice or private plaintiffs in the City of Midland in the previous eight years. Legal Services of Eastern Michigan reported in late 2013 that a conciliation agreement was reached regarding a rental complex's failure to provide disability parking.

C. Discussion of other fair housing concerns or problems

No other fair housing concerns have been raised. The City receives complaints from tenants regarding adequacy of housing. Each is followed up with a contact to the landlord to determine the nature of the complaint and possible resolutions but these are apart from fair housing situations.

IV. Identification of Impediments to Fair Housing Choice

A. Public Policies

1. Zoning and Site Selection

   No impediments are identified as a result of the zoning process.

   The City of Midland provides areas in the Future Land Use map and Zoning ordinance and map where multiple family housing and other affordable housing options are permitted. These areas are shown in the areas designated as RA-3, RA-4, Mobile Home, and as upper units in several commercial districts in the map on the following page.

   The City also has a history of permitting housing options regardless of their participation in HUD funded incentives such as housing vouchers. Most recently, a 49-unit senior housing facility was permitted on the north side of the community among the highest income and highest value housing identified using census tract information (census tracts, 2903, 2904, 2908, 2909, 2910). Multiple other housing complexes throughout the City accept housing vouchers, are specifically for seniors, and have units and accommodations for the disabled.

   It would be beneficial to update the housing inventory based on these criteria to determine the adequacy of affordable housing.

Map 17 – Zoning Map

2. Neighborhood Revitalization

    The City participates with Habitat for Humanity each year to identify an area of the community that is low income and would benefit from use of CDBG funds and other local assistance in rehabilitation and/or new construction. This program is both privately and publically funded.

    The City has also volunteered its staff to supervise the construction of a house for the previous 22 years, built by the local high school's Building Trades class. Since 2008, this program has led to the creation of six barrier free homes which have been sold to a person, family, or organization that is low income, disabled or serves the needs of a disadvantaged population in the community.

3. Property Tax Policies

    The City has granted Payment in Lieu of Taxes (PILOT) options to eighteen developments in the City in the past. The City's Housing Commission has studied and made recommendations regarding changes to this policy but no action has been taken to revise the policy to date.

4. Building Codes (Accessibility)

    The City of Midland has adopted, as of October 6, 2014, the 2012 Michigan Building Code. This code references the International Building Code which is considered the leading building code for both accessibility and safety.

5. Housing Rehabilitation and Accessibility Improvements

    The City of Midland through the CDBG program has actively funded housing rehabilitation programs to meet the needs of low- and moderate-income homeowners throughout the city. Some of these projects involve modifications to make the dwelling more accessible for those residents who are elderly or disabled. The City has also partnered with Midland Area Homes, a local non-profit organization, to provide accessible ramps to homes within the city to meet an urgent need of the home occupant(s).

B. Private Sector Lending Policies and Practices

"The Home Mortgage Disclosure Act (HMDA) was enacted by Congress in 1975 and implemented by Federal Reserve Board regulations. These regulations require certain banks and other mortgage lending institutions to report information about mortgage applications (amount, location of property, and type of loan), the applicant (race, sex, and income), and the application resolution (approved, denied, etc.). These files are distributed annually and made available to the public. The HMDA data were intended to assist in:

•   Determining whether financial institutions are successfully meeting their communities' housing credit needs
•   Targeting community development funds in ways that attract private investment to areas most in need
•   Identifying potentially discriminatory lending patterns

By requiring lending information to be publicly released, the HMDA legislation recognized that community groups have a vital role to play in the enforcement of fair lending. Indeed, such groups' due diligence supplements the efforts of the government agencies formally charged with regulating the banks.

HMDA data limitations: Because not all institutions are required to file under HMDA, mortgage lending coverage for any one neighborhood may be incomplete. Coverage is particularly limited for nonmetropolitan and low-homeownership areas. Although HMDA data can provide valuable information for these areas, users should be cautious in drawing conclusions on the basis of HMDA data alone.

HMDA data provide less complete coverage of the mortgage markets in nonmetropolitan and smaller counties for several reasons.

First, depository institutions located in nonmetropolitan areas—or non-depository institutions with solely nonmetropolitan markets—are not required to file under HMDA. Second, metropolitan-based institutions are only required to enter property location information for loans originated within the metropolitan areas in which they have a branch. Thus, even if these institutions make a loan in a nonmetropolitan area, they are not required to report any geographic information. Finally, institutions do not have to identify the census tract for properties located in counties with populations of 30,000 or less as of the 2000 Census.

The HMDA data are also less useful in capturing demographic or economic changes in neighborhoods with low homeownership rates. Changes in home purchase loan amounts for one- to four-family structures might suggest changes in an area's rent levels, but only in a very indirect sense. For larger structures, HMDA data until 2004 combined all multifamily housing loans, including those for purchase, refinancing, or improvement. This mix makes the loan amount for the earlier years very hard to interpret because home improvement loans tend to be relatively small, while purchase loans tend to be relatively large. As discussed later, institutions began reporting structure type and loan purpose separately in 2004, allowing for the creation of less ambiguous multifamily indicators. While this clarifies the interpretation of the indicators, the small number of loans in a given year and not knowing the number of units in each building limits the usefulness of HMDA in understanding the multifamily housing market." Source: DataPlace, A Guide to the Home Mortgage Disclosure Act data

HMDA data is available for the City of Midland and may be used to conduct an analysis of fair lending practices in the City.   This analysis has not been completed as part of this study.

C. Public and Private Sector

1. Fair Housing Enforcement

Legal Services of Eastern Michigan (LSEM) is contracted by the Community Development Block Program (CDBG) of Midland to investigate fair housing complaints and conduct paired testing to determine if there is discrimination present in housing service practices.

Table 11 – Fair Housing Testing Data, 2012-2014

	2012			2013			2014		
Rental	Neg.	Pos.	Inc.	Neg.	Pos.	Inc.	Neg.	Pos.	Inc.
National Origin	3	-	5	3	-	7	2	1	3
Race	-	-	2	1	-	3	7	3	2
Disability	2	11	8	1	1	3	1	5	4
Family	-	-	-	-	-	-	4	-	-
Sales	Neg.	Pos.	Inc.	Neg.	Pos.	Inc.	Neg.	Pos.	Inc.
National Origin	-	-	-	1	1	2	1	1	-
Race	2	1	2	-	-	-	-	-	-
Disability	-	-	-	1	1	1	-	-	-
Testing Results: Neg. – Negative; Pos. – Positive; Incon. - Inconclusive									

Since the beginning of January 2012, 96 fair housing paired tests were conducted in the City of Midland. During the previous three-year period, testing was categorized into two groups (rental and sales) and then by protected class (national origin, race, disability, and family).

Fair housing paired tests are for measuring and documenting variations in the quality, quantity, and content of information and services offered by housing service providers to various home seekers in the protected classes. Testing is a simulation of a housing transaction for the purposes of comparing the responses given by housing providers to home seekers in different protected classes in order to determine whether or not evidence of difference in treatment is occurring. For example, a test for racial discrimination in rental housing might involve send both a Black or African-American and a White tester, at about the same time, to an apartment building to inquire about the same or similar type of apartment.

When a test results in a positive or inconclusive manner, the housing provider is retested. If the retest results in a positive, LSEM files a complaint to HUD through the Title VIII Complaint Process. During the same three-year period (2012-14), LSEM filed six complaints.

In 2012, a complaint was filed following a disability-rental retest. In 2013, no complaints were filed by LSEM. In 2014, five complaints were filed to HUD. Three involved rental properties where disability was the protected class, one involved a sales test where the protected class was national origin, and one involved a rental property where the protected class was race.

2. Informational Programs

Legal Services of Easter Michigan has provided training to landlords in fair housing practices in the past. The most recent training was completed in Midland in 2013.

The City of Midland also participated in a Fair Housing Advisory Council through 2012. This council has not met since then.

D. Unlawful Segregation

Unlawful segregation has not been identified in the City according to the following definition provided for this analysis by HUD:

Unlawful segregation is "Where there is a determination of unlawful segregation or other housing discrimination by a court or a finding of noncompliance by HUD under Title VI of the Civil Rights Act of 1964 or Section 504 of the Rehabilitation Act of 1973, or where the Secretary has issued a charge under the Fair Housing Act regarding assisted housing within a recipient's jurisdiction, an analysis of the actions which could be taken by the recipient to help remedy the discriminatory condition, including actions involving the expenditure of funds by the jurisdiction."

V. Conclusions and Recommendations to Address Fair Housing

Recommendations:

1. Create and updated list of all housing in Midland that may be classified as affordable based on contract rent, size, acceptance of housing assistance, disability features, rental practices and location.
2. Continue to conduct paired testing on a regular and frequent basis, as funding allows. Testing should include more of an even variety of categories and protected classes.
3. Provide training on a regular basis to landlords regarding fair housing practices through a fair housing advisory council or other means.
4. Distribute fair housing information and accessibility laws to housing service providers on an annual basis.
5. Review previously drafted versions and amend as needed a policy to be adopted by City Council for granting Payment in Lieu of Taxes (PILOT) options to developers.
6. Contract with a qualified group to conduct a Home Mortgage Lending Analysis for the City.

VI. Monitoring and Maintenance of Records

This section summarizes the ongoing responsibilities of the jurisdiction relative to oversight of efforts to implement the remedial actions recommended in this report. It also sets forth the monitoring and maintenance of records procedures that will be undertaken to insure that implementation efforts can be evaluated and accomplishments reported to HUD in a timely manner.

The Analysis of Impediments process has been conducted under the oversight and coordination of the City of Midland, Community Planning and Development Department, with the support of an independent consultant.

The Community Planning and Development Department and the City's Housing Commission will be responsible for ongoing oversight, self-evaluation, monitoring, maintenance and reporting of the jurisdictions' progress in implementing the remedial actions and other efforts to further fair housing choice and will therefore provide oversight of the following activities.

1. Evaluate each of the recommendations and remedial actions presented in this report, and insure consultation with appropriate City departments and outside agencies and organizations to determine the feasibility and timing of implementation. Feasibility and timing of implementation will be based on City policies, fiscal impacts, anticipated impact on or remedy to the fair housing impediment identified, adherence to federal, state and local regulations, and accomplishment of desired outcomes. They will provide recommendations for implementation to the City Manager based on this evaluation.

2. Continue to insure that all sub-grantees receiving CDBG funds have a current Affirmative Fair Housing Plan, display a Fair Housing poster and include the Fair Housing Logo on all printed materials as appropriate, and provide beneficiaries with information on what constitutes a protected class member and instructions on how to file a complaint.

3. Ensure that properties and organizations assisted with federal, state and local funding are compliant with uniform federal accessibility standards during any ongoing physical inspections or based on any complaints of non-compliance received by the City.

4. Incorporate fair housing requirements in its grant program community outreach and training sessions.

In accordance with Section 2.14 in the HUD Fair Housing Planning Guide, the City of Midland will maintain the following data and information as documentation of the City's efforts to affirmatively further fair housing choice.

1. A copy of the Analysis of Impediments and any updates will be maintained and made available upon request.
2. A list of actions taken as part of the implementation of this report and the City's Fair Housing Plan will be maintained and made available upon request.
3. The City of Midland will submit an update of its progress to HUD at the end of each program year.

VIII. Signature Page

Chief Elected Official – *to be completed upon approval of plan*.